

Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 SSO-00 NSC-05 NSCE-00 INR-05

CIAE-00 INRE-00 AF-04 SAM-01 SP-01 PM-03 PRS-01 /043 W

----- 094600

O R 131008Z SEP 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 4249

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L LISBON 5398

LIMDIS

EO 11652: GDS

TAGS: PFOR, PGOV, PO

SUBJECT: MARIO SOARES VIEWS ON CURRENT NEGOTIATIONS FOR SIXTH
PROVISIONAL GOP

SUMMARY: SOARES TOLD ME LAST NIGHT THREE PARTIES NEGOTIATING
WITH AZEVEDO HAVE AGREED ON A PROGRAM BASED ON THE SOCIALIST
PLATFORM. HOWEVER, COMMUNISTS ARE THROWING UP ONE ROADBLOCK
AFTER ANOTHER IN NEGOTIATIONS ON DISTRIBUTION OF PORTFOLIOS,
AND SOARES DOES NOT EXPECT A GOVERNMENT FOR SEVERAL DAYS.
COSTA GOMES EITHER TEMPORIZES OR SIDES WITH COMMUNISTS.
AZEVEDO IS PROVING TO BE STRONGER AND MORE INTELLIGENT
THAN SOCIALISTS HAD THOUGHT. SOARES BELIEVES IT WOULD BE
UNDESIRABLE TO TRY AND EXCLUDE COMMUNISTS AT THIS POINT
SINCE MILITARY STILL CANNOT DEAL WITH THE VIOLENCE THEY ARE
LIKELY TO UNLEASH IF LEFT OUT. HOWEVER HE GAVE ME ASSURANCES
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THAT SOCIALISTS WOULD NOT ALLOW COMMUNISTS TO GET MORE THAN

ONE OR TWO PORTFOLIOS, AND THESE WOULD NOT BE KEY ONES. HE THINKS A GOVERNMENT WILL EMERGE THAT THE WEST CAN AND SHOULD SUPPORT, ALTHOUGH HE ACKNOWLEDGES THAT THE GOVERNMENT WILL HAVE TO PROVE ITS ABILITY TO MAKE HARD DECISIONS BEFORE LARGE-SCALE AID SHOULD BE GRANTED. END SUMMARY

1. MARIO SOARES STOPPED BY LAST NIGHT BETWEEN ROUND-THE-CLOCK NEGOTIATING SESSIONS THAT ARE CONTINUING AT BELEM PRESIDENTIAL PALACE TO GIVE ME A GLIMPSE OF THE ATMOSPHERICS. SAID GENERAL AGREEMENT HAD BEEN REACHED ON A PROGRAM WHICH WAS BASED ON THE SOCIALIST PLATFORM, BUT THE COMMUNISTS WERE THROWING UP ALL KINDS OF NEW ROADBLOCKS IN THE NEGOTIATIONS ON THE DISTRIBUTION OF MINISTRIES. FOR EXAMPLE, JUST A FEW MINUTES PRIOR TO OUR MEETING CUNHAL HAD PROPOSED MARIO RUIVO FOR FOREIGN MINISTER. SOARES CATEGORICALLY REFUSED, POINTING OUT THAT THE WEST WOULD NEVER BE FORTHCOMING IN ITS ASSISTANCE WITH A COMMUNIST LIKE RUIVO AS FOREIGN MINISTER.

2. SOARES SAID THE COMMUNISTS HAD THREATENED NOT TO PARTICIPATE IF THEY DIDN'T RECEIVE MORE MINISTRIES. I ASKED WHAT WOULD BE WRONG WITH LEAVING THEM OUT, PARTICULARLY IN LIGHT OF THEIR BLATANT EFFORT TO GRAB POWER BY UNDEMOCRATIC MEANS. SOARES SAID NOTHING WAS FUNDAMENTALLY WRONG WITH THIS. INDEED IT WAS DESIRABLE, BUT THE MOMENT WAS NOT YET RIPE. THE COMMUNISTS COULD RESORT TO VIOLENCE, AND THE MILITARY DOES NOT HAVE THE DISCIPLINE NECESSARY TO CONTROL THEM. CONSEQUENTLY THE COUNTRY WOULD BE THROWN INTO POLITICAL TURMOIL. I POINTED OUT THE COMMUNISTS MIGHT BE BLUFFING AS THEY HAD ALL ALONG, BUT SOARES INSISTED THEY HAD THE CAPACITY TO CAUSE SERIOUS TROUBLE IN AREAS LIKE LISBON AND SETUBAL, AND THEY WERE LIKELY TO DO JUST THAT.

3. I SAID I UNDERSTOOD THE SOCIALISTS INTENDED TO LIMIT PCP PARTICIPATION TO THE MINISTRY OF TRANSPORTATION. SOARES SAID PCP DOESN'T WANT TRANSPORTATION. NOR DO THEY WANT LABOR, ALTHOUGH COSTA MARTINS WOULD BE ACCEPTABLE TO PCP (COSTA MARTINS IS NOT ACCEPTABLE TO SOARES). I ASKED WHAT COMMUNISTS DO WANT. SOARES SAID THEY WERE INTERESTED IN EDUCATION OR INDUSTRY, ALTHOUGH WE BOTH AGREED THAT LATTER WAS NOT A PARTICULARLY POWERFUL POST.

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4. THE COMMUNIST TACTIC, HE SAID, WAS TO CONTINUALLY RAISE NEW ISSUES. FOR EXAMPLE, AFTER PREVIOUSLY AGREEING, THEY REVERSED THEMSELVES AND SAID THE SOCIALISTS WERE NOT ACCEPTABLE IN THE AGRICULTURE PORTFOLIO BECAUSE THAT WOULD JEOPARDIZE LAND REFORM. COMMUNISTS WERE ALSO PUTTING FORWARD MILITARY CANDIDATES ASSOCIATED WITH THE GONCALVES LINE. SOARES HAD MADE IT CLEAR HE WOULD VETO ANY SUCH CANDIDATES. HE WAS HOLDING OUT FOR MEMBERS OF THE ANTUNES

NINE OR THEIR SUPPORTERS TO FILL THE POSTS RESERVED FOR THE MILITARY.

5. SOARES WAS OBVIOUSLY FRUSTRATED BY HIS ROLE AS MEDIATOR BETWEEN THE PPD AND THE PCP, WHO REFUSE TO SIT AT THE SAME TABLE WITH EACH OTHER. ONE DAY THE PPD WOULD BE GRANTED A CERTAIN NUMBER OF POSTS; THE NEXT DAY THE PCP WOULD DEMAND AN EQUAL NUMBER. THEN THE PPD WOULD OBJECT. AZEVEDO SEEMED TO FIND HIMSELF IN A VICIOUS CIRCLE. SOARES THOUGHT HE WOULD EVENTUALLY SUCCEED SINCE EVEN THE COMMUNISTS DON'T WANT HIM TO FAIL. BUT IT WOULD TAKE SEVERAL DAYS MORE.

6. SOARES SAID HIS RESPECT FOR AZEVEDO HAD GONE UP DURING THE COURSE OF THE NEGOTIATIONS. HE WAS NOT MADE OF "STRAW" AS SOARES PREVIOUSLY THOUGHT. THE REAL PROBLEM WAS COSTA GOMES, WHO EITHER TEMPORIZED OR URGED CONCESSIONS TO THE COMMUNISTS. FOR EXAMPLE, SOARES SAID COSTA GOMES HAD TODAY REOPENED THE CASE OF "A REPUBLICA," URGING THAT THE SOCIALISTS NOT INSIST ON GETTING IT BACK. SOARES TOLD HIM THAT IF THE GOVERNMENT COULD NOT KICK A HANDFUL OF PEOPLE OUT OF A NEWSPAPER, IT COULD HARDLY BE EXPECTED TO GAIN THE RESPECT OF THE COUNTRY. AZEVEDO SAID HE WOULD HAVE TO DEFEND THE GOVERNMENT ON TELEVISION AND THAT SOARES WAS RIGHT. A REPUBLICA SHOULD BE RETURNED.

7. I EMPHASIZED THAT THE PRESENT NEGOTIATIONS WERE VERY IMPORTANT FOR PORTUGAL'S FUTURE. THE WESTERN WORLD WAS WAITING TO SEE WHETHER THE "MODERATES" WOULD SHOW SOME REAL STRENGTH IN THE NEW GOVERNMENT. OUR ABILITY TO PROVIDE ASSISTANCE WOULD BE CONDITIONED BY THE DEGREE OF COMMUNIST PARTICIPATION. WE DID NOT WANT TO SEE THE COMMUNISTS RE-ESTABLISH A POLITICAL BASE IN THE GOVERNMENT, AND KNEW THAT SOARES SHARED OUR CONCERN. SOARES AGREED, AND REPLIED THAT THE COMMUNISTS WOULD GET ONLY ONE MINISTRY, TWO AT THE VERY CONFIDENTIAL

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MOST. WHATEVER THEY GET, THE SOCIALISTS WILL NOT ALLOW THEM TO HAVE KEY POSITIONS SUCH AS FOREIGN AFFAIRS, FINANCE, ECONOMIC AFFAIRS, SOCIAL COMMUNICATIONS, EDUCATION OR LABOR.

8. SOARES SAID THE POINT HE WOULD LIKE TO EMPHASIZE TO USG IS THAT OVERALL THE SITUATION HAD IMPROVED CONSIDERABLY. DURING AUGUST HE WAS ON THE VERGE OF RECOMMENDING THAT WESTERN AID BE CUT OFF, BUT NOW MATTERS HAD TAKEN A DECIDED TURN FOR THE BETTER. THE COMMUNISTS WERE JUST CLINGING TO WHATEVER THEY COULD HANG ONTO.

9. ASSUMING A GOVERNMENT WITH SUBSTANTIAL SOCIALIST PARTICIPATION AND LIMITED COMMUNIST INFLUENCE, I ASKED SOARES WHAT HE THOUGHT THE WESTERN ATTITUDE SHOULD BE. HE URGED SUPPORT. WHEN I POINTED OUT THAT THE SOCIALISTS THEMSELVES WERE APPROACH-

ING THE GOVERNMENT WITH A CERTAIN DEGREE OF RESERVE BY KEEPING SOARES OUT, SOARES AGREED THAT WESTERN SUPPORT MIGHT BE TEMPERED WITH SOME CAUTION. HE THOUGH STATEMENTS OF ENCOURAGEMENT WOULD BE IN ORDER AS WELL AS SOME INCREASE IN ECONOMIC AID. BUT THE GOVERNMENT WOULD HAVE TO PROVE ITS ABILITY TO MAKE HARD DECISIONS BEFORE HE WOULD RECOMMEND MASSIVE ASSISTANCE FROM THE WEST.

10. COMMENT: COMMUNIST DISINTEREST IN TRANSPORTATION AND LABOR PORTFOLIOS PROBABLY MEANS THEY DON'T WANT TO BE ASSOCIATED WITH THE HARD DECISIONS IN THESE AREAS THAT GOP MUST TAKE IF IT INTENDS TO FOLLOW EFFECTIVE ECONOMIC POLICIES. IF COMMUNISTS ARE UNABLE TO OBTAIN KEY MINISTRIES, THEIR SUPPORT OF AZEVEDO'S GOVERNMENT IS LIKELY TO BE OF A LIMITED NATURE DESIGNED PRINCIPALLY TO AVOID THE BREAK WITH THE AFM THAT REFUSING TO PARTICIPATE MIGHT ENTAIL. ODDS AT THIS POINT ARE AGAINST THEIR BEING ABLE TO COOPT THE NEW GOVERNMENT AS THEY DID WITH THE VARIOUS GONCALVES' GOVERNMENTS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONAL OPINION, INTERIM GOVERNMENT, POLITICAL SITUATION, GOVERNMENT MINISTRIES, POLITICAL PARTIES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LISBON05398
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED PER 78 LISBON 634
Executive Order: X1
Errors: N/A
Film Number: D750318-0440
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750953/aaaabupc.tel
Line Count: 188
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2003 by BoyleJA>; APPROVED <15 OCT 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MARIO SOARES VIEWS ON CURRENT NEGOTIATIONS FOR SIXTH PROVISIONAL GOP
TAGS: PFOR, PGOV, PINT, PO, (SOARES, MARIO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006